



# Claire McCaskill

Missouri State Auditor

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December 2005

Village of Uplands Park, Missouri

Year Ended February 28, 2005



Office Of  
Missouri State Auditor  
Claire McCaskill

December 2005

The following problems were discovered as a result of an audit conducted by our office of the Village of Uplands Park, Missouri.

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The Village of Uplands Park is in poor financial condition. The cash balance of the village's funds has decreased significantly. On March 1, 2003 the village's operating funds had a total cash balance of approximately \$350,800. The combined cash balance of the operating funds on February 28, 2005, was approximately \$28,000. Actual disbursements exceeded actual receipts by approximately \$105,500 and \$217,300 for the years ended February 28(29), 2005 and 2004 in the village's operating funds. Inadequate procedures have inhibited the Board's ability to effectively monitor and manage the village and have resulted in, or contributed to these problems.

The board approved a deficit budget for the fiscal year end February 28, 2006, with budgeted disbursements for the General Fund to exceed budgeted receipts by approximately \$22,150 contrary to state law. Actual disbursements exceeded budgeted amounts for fiscal year end February 28, 2005, by approximately \$117,470 for the General Fund. A significant portion of this overage was due to transfers to other funds which the village failed to budget. Also, the Board of Trustees does not prepare and adopt annual budgets in compliance with state law and the village's monthly financial statement was incomplete and was not approved by the Board on a timely basis.

The balance of the Sewer Lateral Fund on the village's monthly financial statements is overstated as apparently not all disbursements have been applied to this fund. Additionally, the village has not established a separate fund or accounting for state motor vehicle-related receipts, county road and bridge taxes, and Law Enforcement Training fees and does not monitor the use of these funds to ensure compliance with applicable laws and regulations.. Also, capital improvement sales tax monies are not always spent in accordance with state law.

The village does not have a formal bidding policy. As a result, the decision of whether to solicit bids for a particular purchase is made on an item-by-item basis, and bids were not solicited for the trash or tax collection services. The village has not entered into written contracts for various contracted services, including legal and accounting services.

Also included in the report are recommendations related to deposits, payroll, bonuses and donations, records, minutes and ordinances, a street maintenance plan, and the municipal court division.

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YELLOW SHEET

VILLAGE OF UPLANDS PARK, MISSOURI

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## STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

To the Honorable Chairwoman  
and  
Members of the Board of Trustees  
Village of Uplands Park, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Uplands Park, Missouri. The scope of our audit of the village included, but was not necessarily limited to, the year ended February 28, 2005. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review internal controls over significant management and financial functions.
3. Review compliance with certain legal provisions.

To accomplish these objectives, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents; interviewed various personnel of the village, as well as certain external parties; and tested selected transactions. Our methodology included, but was not necessarily limited to, the following:

1. We obtained an understanding of petitioner concerns and performed various procedures to determine their validity and significance.
2. We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.
3. We obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur.

Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in the audit of the village.

The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Uplands Park, Missouri.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
State Auditor

August 29, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter

MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

VILLAGE OF UPLANDS PARK, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1.</b>	<b>Financial Condition</b>
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The Village of Uplands Park is in poor financial condition as a result of large capital improvement disbursements, overspending, inadequate oversight and monitoring of fund balances, and improper budgetary practices.

The cash balance of the village's funds has decreased significantly. On March 1, 2003, the village's operating funds (General Fund, Capital Improvement Fund, and Traffic Violations Fund) had a total cash balance of approximately \$350,800. The combined cash balance of the operating funds on February 28, 2005, was approximately \$28,000. Also, the budgeted disbursements for the General Fund for the year ended February 28, 2006, exceed budgeted receipts by approximately \$22,150 (see MAR finding number 2.A.).

Actual disbursements exceeded actual receipts by approximately \$105,500 and \$217,300, for the years ended February 28(29), 2005 and 2004 in the village's operating funds. During 2003 and 2004, the village spent approximately \$218,000 to acquire a lot and turn it into a park and a parking lot, and \$35,000 for an electronic sign for the village.

The village's monthly financial statement is not presented to or approved by the board on a timely basis (see MAR finding number 2.D.), and does not include a budget to actual comparison. In addition, the village does not budget for all village funds (see MAR finding number 2.C.). The Board can not adequately monitor the financial condition of the village without periodic budget to actual reports and timely financial reports. A budget to actual report would help ensure budgets were not overspent and funds were available for disbursements.

Inadequate procedures have inhibited the Board's ability to effectively monitor and manage the village and have resulted in, or contributed to the problems noted above. These weaknesses include deficit budgeting, and actual disbursements exceeding budgeted disbursements documented in the MAR finding number 2.

The Board of Trustees should review disbursements, reducing discretionary spending as much as possible. In addition, the Board should monitor the financial condition of the village by reviewing a budget to actual comparison and the financial statements on a timely basis.

**WE RECOMMEND** the Board of Trustees review the current financial condition of the village and consider the various alternatives of reducing disbursements and/or increasing receipts. In addition, the Board should ensure budget to actual statements are presented and approved by the Board on a periodic basis.



## **AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Board of Trustees takes issue with the Report's assertion that the City is in "poor financial condition." The report seems to disapprove of the Board's expenditures to acquire a park and an electronic sign. The Board is confident that each of these expenditures added a great deal to the Village and its residents. The park has made the Village more desirable and increased property values. The sign, used to communicate various public services and community announcements, has also been an important addition to the community. Each of these expenditures was, in the estimation of the Board, worthwhile, important, and a good use of public funds. The Board made the decision to spend the money, to improve the Village, instead of allowing it to sit in the bank. It felt it was obligated to do so.*

*As far as monitoring expenditures, the Board, in response to this report, is considering a monthly approval of the Village financial statement. This would include a budget to actual comparison. This should alleviate any concerns about the Board's oversight of the Village finances.*

<b>2. Budgetary Practices and Financial Statements</b>
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The Board does not prepare and adopt annual budgets in compliance with state law. In addition, a deficit budget was approved for the General Fund and actual disbursements exceeded budget amounts. Also, the village's monthly financial statement was not approved by the Board on a timely basis.

- A. The Board approved a deficit budget for the General Fund for the fiscal year end February 28, 2006, as follows:

	Year Ended February 28, 2006
Beginning Balance	\$ 5,548
Estimated receipts	164,138
Estimated disbursements	186,288
Ending Balance	\$ <u>(16,602)</u>

Section 67.010, RSMo, prohibits deficit budgeting. With the declining financial condition of the village, the board should determine if immediate cuts can be made to avoid any future deficits.

- B. Actual disbursements exceeded budgeted amounts for fiscal year end February 28, 2005, by approximately \$117,470 for the General Fund. A significant portion of this overage was due to transfers to other funds which the village failed to budget, see part C below. Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for disbursement from any fund,

unless the governing body adopts a resolution documenting the reasons making the increase necessary and approves or adopts a resolution or ordinance to authorize the disbursements.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and receipt expectations for each area of the village operations and provide a means to effectively monitor actual costs and receipts. It will also assist in setting tax levies, and informing the public about the village's operations and current finances.

- C. The Board of Trustees does not prepare and adopt annual budgets in compliance with state law. While annual budgets for the General Fund and Sewer Lateral Fund are adopted, the budgets do not contain all required information. The budgets only included the current year's budgeted receipts and disbursements and the prior year's actual receipts and disbursements and ending cash balance. In addition, the Board does not prepare and adopt budgets for the Capital Improvement Fund or budget for transfers to other funds. Also, for 2004, budgeted real estate tax receipts were listed as \$35,000 instead of \$3,500.

Section 67.010, RSMo, requires each political subdivision to prepare an annual budget, and Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendments of the annual operating budget. A complete budget should include a budget message, actual (or estimated for the years not yet ended) receipts and disbursements for the preceding two budget years, and the beginning and estimated ending available resources.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and receipt expectations for village operations. A budget can also provide a means to effectively monitor actual costs by periodically comparing budgeted amounts to actual disbursements. It will also assist in setting tax levies and informing the public about village operations and current finances.

- D. The village's monthly financial statement was incomplete and was not approved by the Board on a timely basis. Frequently, the Board was presented two or three months of financial statements at one meeting. For example, the August 2004 and September 2004 financial statements were presented and approved at the November 2004 board meeting. In addition, the Bond Fund is not included in the village's monthly financial report.

Monthly financial reports are necessary to ensure that all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected on a timely basis. In addition, to ensure all receipts and disbursements are accounted for properly, the reports should include all village funds and be reviewed for accuracy by the Board of Trustees.

**WE RECOMMEND** the Board of Trustees:

- A. Ensure budgeted disbursements for the various funds do not exceed estimated receipts and beginning available resources.
- B. Monitor disbursements on a regular basis to prevent the village from spending more money than is budgeted.
- C. Ensure complete and accurate budgets are prepared annually for all operating funds in accordance with state law.
- D. Ensure financial statements include all village funds and are presented and approved by the Board on a timely basis.

**AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Board plans to prepare all future budgets in accordance with State law. It plans to balance all future budgets. As mentioned in the response to MAR 1, the Board is considering a monthly approval of the expenditures from the budget which should address many of the concerns listed in MAR 2 of this report.*

<b>3. Restricted Revenues</b>
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The balance of the Sewer Lateral Fund reported on the village's monthly financial statements is incorrect and overstated. In addition, the Village does not maintain a separate fund for motor vehicle related receipts or Law Enforcement Training fees, and did not expend some Capital Improvement Fund monies properly.

- A. The balance of the Sewer Lateral Fund on the village's monthly financial statements is overstated. The February 28, 2005, financial statement shows the cash balance of the Sewer Lateral Fund as \$26,045. However, apparently not all disbursements have been applied to this fund. According to the village chairwoman, two sewer lateral disbursements during the last five years, were not charged to the Sewer Lateral Fund because of inadequate balances. Meeting minutes appear to indicate the Board's intent to eventually deduct these disbursements from the Sewer Lateral Fund, however, this has not been done. The cash balance as of February 28, 2005, would be \$22,050, with \$3,895 due to the General Fund. Village officials should review this and adjustments made if applicable.
- B. The village receives state motor vehicle-related receipts and county road and bridge taxes and deposits them into the General Fund. Article IV, Section 30, of the Missouri Constitution, requires that motor vehicle-related receipts apportioned

by the state of Missouri be used for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets. Village officials also signed an affidavit stating county road and bridge monies would be used for the improvement and repair of public roads, streets, and bridges within the village limits. The village has not established a separate fund or accounting for these monies and does not monitor the use of these funds to ensure compliance with the Missouri Constitution.

During the year ended February 28, 2005, the village deposited \$17,677 of state motor vehicle related receipts and \$3,526 of county road and bridge taxes into the General Fund. The village's records did not clearly document the total amount spent on policing, signing, lighting, and repair of the streets in the village. Using these monies to help pay for the general operations of the village does not appear to be an appropriate use of such monies.

To ensure compliance with the Missouri Constitution and the affidavit, the village should maintain a separate fund or separate accounting of motor vehicle-related receipts and road and bridge taxes, and ensure these receipts are used only for the purposes allowed by the constitution and affidavit.

- C. Capital improvement sales tax monies are not always spent in accordance with state law. Village voters passed a ½ cent capital improvement sales tax to be used for the purpose of funding, operating, and maintaining capital improvements. During the year ended February 28, 2005, the village transferred \$13,000 from the Capital Improvement Fund to the General Fund. While some capital improvement disbursements are paid from the General Fund, the village did not document how the \$13,000 would be expended and village personnel indicated these monies were transferred to ensure the General Fund was not overdrawn. Section 94.577, RSMo, states that all capital improvement sales tax receipts shall be deposited in a special trust fund and used solely for capital improvements.
- D. The village has not established a separate fund or separate accounting for Law Enforcement Training (LET) fees. Section 590.140, RSMo indicates these fees can only be used for the training of law enforcement officials. Currently, the village transfers the LET fees to their General Fund. Since the village contracts out for police services, the village does not have any law enforcement officers and has no use for this money.

In addition, village personnel indicated the court clerk's training costs would be paid from the LET fees; however, Section 479.260, RSMo, allows municipal courts to retain an additional \$1 from fees collected on cases for judicial education and training for court administrators and clerks.

To ensure compliance with state law, the village should maintain a separate fund or separate accounting of LET fees and ensure these monies are used only for the

purposes allowed by law. In addition, the Board should evaluate the need for assessing these fees.

**WE RECOMMEND** the Board of Trustees:

- A. Review this situation and adjust village records as appropriate.
- B. Establish a fund or accounting of the state motor vehicle-related receipts and county road and bridge taxes to ensure funds are spent in accordance with the Missouri Constitution and affidavit.
- C. Document all disbursements and transfers from the Capital Improvement Fund to ensure it is used solely for allowable purposes and to inform the voters of the use of these restricted funds.
- D. Establish a fund or accounting of the LET fees to ensure funds are spent in accordance with state law. In addition, the village should evaluate the need for assessing these fees.

**AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Board is confident that it has not inappropriately used any restricted revenue. Nevertheless, it plans to take steps to more clearly delineate separate accountings of restricted revenues in the future.*

<b>4. Deposits</b>
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Deposits were not made on a timely basis into the general account, municipal court traffic violations account, and the municipal court bond account. A cash count conducted on August 2, 2005, showed the village had cash on hand totaling \$570, comprised of receipts collected from July 29, 2005. Deposits are generally made once a week for the general account and traffic violation account, and twice a month for the bond account, and, for the time periods reviewed, averaged more than \$2,068, \$1,500, and \$500, respectively. To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited intact daily or when accumulated receipts exceed \$100.

**WE RECOMMEND** the Board of Trustees ensure receipts are deposited on a daily basis or when accumulated receipts exceed \$100.

## **AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Board is reviewing its depositing procedures and may make some changes in that regard.*

<b>5. Payroll and Personnel</b>
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The village has not adopted a written overtime policy and does not pay time and a half for working over 40 hours in one week. Employee timecards are not signed by the supervisor. In addition, gift certificates were given to village employees.

- A. The village has not adopted a written overtime policy and does not pay time and a half for hours exceeding 40 in one week as required by the Fair Labor Standards Act (FLSA). Currently, the village pays time and a half if an employee works more than 80 hours in a two-week pay period. From January 2005 through July 2005, one employee worked 11 time hours in excess of 40 hours per week, but was paid time and a half for only 4.5 hours of those hours. The village should establish written policies to address situations in which overtime may be necessary, document how overtime will be awarded, and ensure compliance with the Fair Labor Standards Act. Complete and detailed written policies are necessary to provide guidance to village employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.
- B. Employee timecards are not signed by the supervisor. Timecards should be prepared by the employee and approved by the applicable supervisor. Without employee and supervisory review of timecards and a signature to indicate the review, the village cannot be assured that the time records are accurate.
- C. The Board of Trustees approved gift certificates as Christmas gifts totaling \$400 for the Board, village employees, and the Velda City Police Department, which provides police services for the village. These payments were not budgeted as part of the employees' official salaries. Gift certificates given to employees appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39 of the Missouri Constitution. In addition, Attorney General's Opinion No. 72, 1955 to Pray, states, "...a government agency deriving its power and authority from the Constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." The practice of giving gift certificates to village employees should be discontinued.

**WE RECOMMEND** the Board of Trustees:

- A. Establish written policies regarding employee overtime, which should include paying time and a half when an employee works over 40 hours in one week.
- B. Ensure supervisory review of timecards is documented.
- C. Discontinue paying gift certificates to employees.

**AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Village plans to adopt a written overtime policy, as well as a written policy on the approval of time cards. The Village has discontinued the practice of gift certificate bonuses.*

<b>6. Expenditures</b>
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The village does not have a formal bidding policy or written agreements for legal services and accounting services. In addition, donations were made to not-for-profit organizations. Also, disbursements are not approved by the Board on a timely basis and invoices are not always marked paid upon payment.

- A. The village does not have a formal bidding policy. As a result, the decision of whether to solicit bids for a particular purchase is made on an item-by-item basis. During the past several years, bids were not solicited for the trash or tax collections services. In addition, there was no documentation explaining why the village did not accept the lowest bid of \$2,222 for irrigation services. Four bids were received, however the board accepted the next lowest bid of \$4,195. The board minutes had no documentation of why the second lowest bid was accepted.

Formal bidding procedures provide a framework for the economical management of village resources and help ensure the village receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in the village's business. Bids can be handled by telephone quotation, by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

- B. The village has not entered into written contracts for various contracted services received. For example, the village has not entered into formal written contracts for legal services or accounting services.

Section 432.070, RSMo, requires contracts of political subdivisions be in writing. The village should enter into written contracts for services rendered or obtained. A written contract, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

- C. The village donated a total of \$150 to two not-for-profit organizations during fiscal year 2004. No documentation of public services was provided by the organizations in return for the donations.

The Missouri Constitution prohibits the use of public money or property to benefit any private individual, associations, or corporations except as provided in the constitution. Without a written contract with the not-for-profit organizations that clearly indicates the public services being provided by these organizations, these subsidies and uses could be considered illegal.

- D. Disbursements are not approved by the Board on a timely basis. Most disbursements are approved when the financial statements are approved (see MAR finding number 2.D.). Although the Board minutes contained an occasional reference to a specific invoice being approved for payment, the disbursements are usually approved at least a month after being paid. A listing of specific disbursements approved by the Board for payment is not prepared and signed by the Board members documenting their approval.

The disbursements and supporting documentation should be presented to the board in a timely manner. Also, to adequately document the Board's review and approval of all disbursements, a complete and detailed listing of bills should be prepared, signed, or initialed by the members to denote their approval, and retained with the official minutes.

- E. Invoices are not always marked paid or otherwise canceled upon payment. Canceling invoices and all other supporting documentation reduces the likelihood of duplicate payments.

**WE RECOMMEND** the Board of Trustees:

- A. Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quoted received and justification for the bid selected.
- B. Ensure formal written contracts are entered into for services obtained by the village.
- C. Ensure subsidies to other entities provide a governmental benefit to the village and do not violate state law or the state constitution. Written agreements should



be prepared which specifically address the services to be provided and compensation to be paid.

- D. Ensure disbursements and supporting documentation is presented in a timely manner. In addition the approval of all disbursements should be adequately documented by including a complete list of approved bills with the minutes. Such lists should be signed by the Board members documenting their approval.
- E. Ensure all invoices or other supporting documentation are marked paid once payment is made.

### **AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Village will draft and adopt a formal bid policy. Additionally, the Board will take care to ensure that written contracts are in place for all outside services provided.*

*The Board is confident that all expenditures have been lawful, and it will continue to make sure that all future expenditures are lawful. The Board will ensure that all bills/invoices are marked "paid" upon payment.*

<b>7. Records, Minutes, and Ordinances</b>
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The village does not have a formal policy regarding access to public records or always follow state laws for closed meetings. In addition, the board minutes do not always record all the motions presented. Also, village ordinances have not been updated to show the compensation paid to the village attorney and the village clerk.

- A. The village does not have a formal policy regarding access to public records. A formal policy would establish guidelines for the village to make the records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish a cost for providing copies to public records.

Section 610.023, RSMo, lists requirements for making village records available to the public. Section 610.026, RSMo, allows the village to charge fees for copying public records, not to exceed ten cents per page and the village's average hourly rate of pay for clerical staff. In addition, research time may be charged at actual cost.

- B. The village conducted several closed meetings during the last year; however, the Board did not vote to enter a closed meeting and did not document how some items discussed in closed session complied with state law. One closed session meeting included discussions on the position of village clerk when it was

temporarily vacant. In addition, the board voted on the payment of a bill at another closed session.

Section 610.021, RSMo, allows matters to be discussed in closed session only if they relate to certain specified subjects. Those subjects that would appear to be most applicable to the Board of Trustees include matters related to pending or possible litigation, real estate transactions, and personnel actions involving specific employees.

- C. Board minutes do not always record all motions presented and the results of votes taken on those motions. The village chairwoman indicated contracts with the debt collection agency and the grant writer were properly approved by the Board; however, the minutes preparer did not include them in the official minutes.

The minutes are the official record of the actions of the Board. Care should be taken to ensure the minutes are complete, legible and provide reasons and specific intentions behind Board decisions. Inadequate or unclear minutes can lead to subsequent confusion as to Board intentions and possible incorrect interpretation of Board actions by the general public, future Board members, or other outside entities.

- D. The village has not updated their ordinances to reflect the compensation of the village attorney and the village clerk. In addition, the village has a municipal code book that is not being used in conjunction with the ordinances to govern the village.

- 1) The village has not updated their ordinances to reflect the compensation of the village attorney and the village clerk. Ordinance 307 states that compensation should be \$450 per month for the village attorney and \$75 per month for the village clerk. The village attorney is currently being paid \$750 per month and the village clerk an hourly rate. Both officials' compensation has been approved by the Board.

Compensation rates set by ordinance document the approved amounts to be paid and eliminate potential misunderstandings on the amount each village official and employee is to receive, and is necessary to ensure the compensation of an official is not changed during the term of office. In addition, ordinance hearings provide for public input and information concerning the compensation paid.

- 2) The village has a municipal code book that is to be used with the ordinances to govern the village, but the municipal code book is not being used. Ordinance No. 321 was passed to allow the municipal code book to be used to govern the village along with any ordinances. The municipal code book indicates that any codes in the book that had not previously been passed as an ordinance are to be considered part of the ordinances

that govern the village. For example, the municipal code book states that residents should be given a warning period for having high grass in their yards before a summons is issued. There is no specific ordinance covering high grass, yet the village issues summonses to residents with high grass in their yards without first giving the residents a warning. Village officials stated they did not have to give a warning because there is not an ordinance regarding high grass. The Board should consult with legal counsel to determine whether the ordinances or the municipal code book should be used to govern the village.

**WE RECOMMEND** the Board of Trustees:

- A. Develop written policies regarding procedures to obtain access to, or copies of public village records.
- B. Hold a vote to go into closed session and ensure only matters specifically authorized by law are discussed in closed session.
- C. Ensure all significant discussions and actions taken are adequately documented in a legible manner in the board minutes.
- D.1. Ensure village ordinances are updated to properly reflect the compensation of the village attorney and the village clerk.
- 2. Consult with legal counsel to determine the ordinances or the municipal code book should be used to govern the village.

**AUDITEE'S RESPONSE**

*The Board provided the following response:*

- A. *The Board plans to adopt a formal policy on access to public records in accordance with State law.*
- B. *The Board is confident that its closed sessions have always been in compliance with State law. The Board plans to take care in documenting any future closed sessions/meetings.*
- C. *The Board will take care to ensure that a careful record is made of its actions and decisions.*
- D. *The Board is in the process of updating/refining many ordinances. This update will address all concerns in MAR 7D.*

**8.****Street Maintenance Plan**

An annual maintenance plan for village streets was not approved for 2005 or prior years by the Board. Approximately, \$9,500 was spent on street repairs, maintenance, and snow removal during the year ended February 28, 2005. A formal maintenance plan should be approved in conjunction with the annual fiscal budget and include a description of the roads to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and be approved by the Board. In addition, a public hearing should be held to obtain input from the village residents.

A formal maintenance plan serves as a useful management tool and provides greater input into the overall budgeting process. Such a plan provides a means to more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year.

**WE RECOMMEND** the Board of Trustees approve a formal maintenance plan for village streets at the beginning of the fiscal year and periodically update the plan throughout the year. In addition, the board should review the progress made in the repair and maintenance of streets to make appropriate decisions on future projects.

**AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Board has carefully reviewed this section of the report and is considering the necessity of the report's recommendation.*

**9.****Municipal Court Division**

The Municipal Division does not prepare a monthly open items listing of bonds, fines and court costs are not disbursed to the village treasury monthly as required, and the numerical sequence of traffic tickets issued is not accounted for properly.

The village of Uplands Park has been operating their municipal court division since October 2004, when the village took control of their court from the City of Beverly Hills. The village contracts with the Velda City Police Department for police services. The court maintains two bank accounts, one for the deposit of fines and costs and one for the deposit of bonds.

- A. The municipal court does not prepare a monthly open-items listing of bonds held in the bond account. The court's computer system can generate a listing of open items; however, the listing has never been generated. We prepared an open-items

listing as of February 28, 2005, and identified bonds totaling \$7,855. The account balance as of February 28, 2005, was \$9,506, indicating that the account has \$1,651 in unidentified balances.

Monthly reconciliations of open items to the reconciled bank balance are necessary to ensure proper accountability over open cases and to ensure monies held in trust by the court are sufficient to meet liabilities. In addition, an attempt should be made to determine the proper disposition of these excess monies. For those monies which remain unclaimed, Section 447.595, RSMo, requires funds remaining unclaimed for one year after disposition of the case to be turned over to the state's Unclaimed Property Section.

- B. Fines and court costs are not disbursed monthly to the village treasury. Lump sums are transferred to the village treasury periodically when the village's General Fund balance is low. Section 479.080, RSMo, requires fines and court costs be transmitted at least monthly to the village treasury.
- C. The numerical sequence of traffic tickets issued is not accounted for by the municipal division or the Velda City Police Department. As a result, neither the municipal division nor the police department could locate a copy or provide a disposition regarding one ticket selected for review.

Without proper accounting of the numerical sequence the Municipal Court cannot be assured that all tickets issued by the Velda City Police Department are properly submitted to the court for processing. A log listing the ticket book, each ticket number, the date issued, offense, and the violator's name would enable Municipal Court to ensure all tickets issued have been submitted to the court for processing, properly voided, or not prosecuted.

**WE RECOMMEND** the Village of Uplands Park Municipal Court Division:

- A. Prepare and reconcile monthly open-items listings to the court's bank accounts. In addition, the municipal division should attempt to identify to whom the \$1,651 belongs and disburse the funds appropriately. If this cannot be determined, the unidentified balances should be turned over to the state's Unclaimed Property Section in accordance with state law.
- B. Ensure fines and court costs are disbursed to the village treasury on a monthly basis.
- C. Work with the Velda City Police Department to ensure records are maintained to account for the numerical sequence of all traffic tickets issued.

### **AUDITEE'S RESPONSE**

*The Board provided the following response:*

*The Village took control of its Municipal Court from the City of Beverly Hills in October 2004. In that time, the employees and Board members have worked diligently to organize and properly document the Court files and records, which were in poor condition. The Village has made great strides in that regard.*

- A. Since the time of the report, the Village has reconciled the discrepancies noted.*
- B. Monthly transfers to the Treasurer have been set up.*
- C. The ticket in question was issued to a former police officer that signed out a ticket book. It was one ticket from a random sample, and the Village is confident that it was an isolated incident. The Village has procedures in place to ensure that each and every ticket can be accounted for in its records.*

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

VILLAGE OF UPLANDS PARK, MISSOURI  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

The village of Uplands Park is located in St. Louis County. The village was incorporated in 1941. The population of the city in 2000 was 460.

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The chairperson is appointed by the board. The village trustees, and other officials during the year ended February 28, 2005, are identified below. During the year ended February 28, 2005, the Chairwoman of the Board, the Treasurer, and the other Board members were paid \$6,000, \$4,500, and \$2,700, respectively. The compensation of these officials is established by ordinance.

Board of Trustees	Dates of Service During the Year Ended February 28, 2005	
Carmen McClendon, Chairwoman	March 2004 to February 2005	
Doris L. Tate, Board Treasurer	March 2004 to February 2005	
Kenneth Williams, Trustee	March 2004 to February 2005	
Charles Gamble, Trustee	March 2004 to February 2005	
James Alexander, Trustee (1)	March 2004 to February 2005	
Other Principal Officials	Dates of Service During the Year Ended February 28, 2005	Compensation Paid for the Year Ended February 28, 2005
Thomas Flach, Village Attorney (2)	March 2004 to February 2005	\$ 6,040
Laurie Hamilton, Village/Court Clerk	April 2004 to February 2005	12,342
Donna Williams, Village Clerk	March 2004	215
Philip Ayers, Municipal Judge	March 2004 to February 2005	3,300

- (1) Henry Iwenofu was appointed trustee in June 2005 after Mr. Alexander resigned.  
(2) Eric Tolen was appointed village attorney in April 2005.

In addition to the officials identified above, the city employed three part-time employees on February 28, 2005.



Assessed valuations and tax rates for 2004 were as follows:

ASSESSED VALUATIONS

Real estate	\$	1,728,851
Personal property		<u>555,539</u>
Total	\$	<u>2,284,390</u>

TAX RATE PER \$100 ASSESSED VALUATION

		<u>Rate</u>
General Fund *	\$	0.3400

\* In addition, the village receives a portion of the St. Louis County Road and Bridge Tax.

TAX RATES PER \$1 OF RETAIL SALES

		<u>Rate</u>
General	\$	.010
Capital improvement		.005

A summary of the city's financial activity for the year ended February 28, 2005, is presented below:

	General Fund	Sewer Lateral Fund	Capital Improvement Fund	Traffic Violations Account	Bond Account	Total
<b>RECEIPTS</b>						
Property taxes	\$ 9,635	0	0	0	0	9,635
Sales taxes	57,723	0	29,836	0	0	87,559
County road and bridge taxes	3,526	0	0	0	0	3,526
Cigarette taxes	1,277	0	0	0	0	1,277
Building inspections and permits	2,666	0	0	0	0	2,666
Court fines and bonds	0	0	0	50,823	14,571	65,394
Franchise taxes	6,576	0	0	0	0	6,576
Interest	1,483	0	24	15	10	1,532
State motor fuel and vehicle taxes	17,677	0	0	0	0	17,677
Sewer lateral taxes	0	8,204	0	0	0	8,204
Weed cutting	1,535	0	0	0	0	1,535
Other	5,213	0	0	0	0	5,213
Transfers in	65,800	0	95,388	9,500	0	170,688
<b>Total Receipts</b>	<b>173,111</b>	<b>8,204</b>	<b>125,248</b>	<b>60,338</b>	<b>14,581</b>	<b>381,482</b>
<b>DISBURSEMENTS</b>						
Payroll	52,154	0	0	0	0	52,154
Police service	38,989	0	0	0	0	38,989
Utilities and telephone	16,122	0	0	0	0	16,122
Court expenses and bond refunds	9,425	0	0	3,182	922	13,529
Street and general maintenance	14,457	0	0	0	0	14,457
Insurance	2,724	0	0	0	0	2,724
Office supplies and equipment	6,695	0	0	0	0	6,695
City hall improvements	1,950	0	3,800	0	0	5,750
Sidewalk and grounds	25,916	0	0	0	0	25,916
Advertising, printing, and dues	6,651	0	0	0	0	6,651
Inspections and irrigation services	1,670	0	4,195	0	0	5,865
Park project	0	0	112,917	0	0	112,917
Other	2,164	0	7	0	0	2,171
Transfers out	95,388	0	13,000	52,800	9,500	170,688
<b>Total Disbursements</b>	<b>274,305</b>	<b>0</b>	<b>133,919</b>	<b>55,982</b>	<b>10,422</b>	<b>474,628</b>
Receipts Over (Under) Disbursements	(101,194)	8,204	(8,671)	4,356	4,159	(93,146)
Cash Balance, March 1	106,742	17,841	23,577	3,194	5,347	156,701
Cash Balance, February 28	\$ 5,548	26,045	14,906	7,550	9,506	63,555